



U.S. Department of Justice

United States Attorney
Southern District of New York

86 Chambers Street, 3rd Floor
New York, New York 10007

March 31, 2010

BY HAND

Hon. Robert E. Gerber
United States Bankruptcy Judge
United States Bankruptcy Court
Southern District of New York
One Bowling Green
New York, New York 10004

Re: *In re Lyondell Chemical Co., et al.*, Case No. 09-10036 (REG)

Dear Judge Gerber:

This Office represents the United States of America (the "United States") in the above-referenced chapter 11 proceedings. The United States filed proofs of claim against the Debtors alleging, *inter alia*, environmental liabilities for response costs, natural resource damages and civil penalties.

Enclosed please find a courtesy copy of the proposed Settlement Agreement Among the Debtors, the Environmental Custodial Trust Trustee, the United States, and Certain State Environmental Agencies (the "Settlement Agreement"). Also enclosed please find a courtesy copy of the Notice of Lodging of the proposed Settlement Agreement filed with the Clerk of the Court.

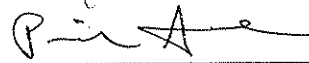
In accordance with Paragraphs 50 and 51 of the proposed Settlement Agreement, the United States requests that the Court not approve the proposed Settlement Agreement at this time. The United States will publish notice of the lodging in the *Federal Register*, following which the United States Department of Justice will accept public comments on the proposed Settlement Agreement for a 15-day period. In addition, the United States understands that one or more state agencies who are also parties to the proposed Settlement Agreement (collectively, the "States") will accept public comments on the proposed Settlement Agreement during the same 15-day period. After the conclusion of the comment period, the United States and the States will file with the Court any comments received, as well as responses to the comments, and at that time, if appropriate, will request that the Court approve the proposed Settlement Agreement.

Thank you for your consideration of this request.

Respectfully submitted,

PREET BHARARA
United States Attorney

By:



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